GOVERNMENT OF INDIA
MINES
LOK SABHA

STARRED QUESTION NO:415
ANSWERED ON:18.12.2000
PRIVATE PARTICIPATION IN MINING SECTOR
SUBODH MOHITE

Will the Minister of MINES be pleased to state:

(a) whether the Union Government propose to empower State Governments to approve mining plans;

(b) if so,the details thereof;

(c) whether the Mineral Advisory Council has made some recommendations for attracting private sector participation in mining sector;

(d) if so, the details thereof; and

(e) the reaction of Union Government thereto?

Answer

MINISTER OF MINES (SHRI SUNDAR LAL PATWA)

(a) to (e):A statement is laid on the Table of the House.

STATEMENTREFERREDTO IN THE REPLY TO STARRED QUESTION NO.415 SLATED FOR ANSWER IN THE LOK SABHA ON THE 18TH DECEMBER,2000 REGARDING PRIVATE PARTICIPATION IN MINING SECTOR.

Mineral Concessions are granted under the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 and the rules framed thereunder. Section 5(2) (b) of the Act, inter-alia, provides that no mining lease shall be granted by the State Government unless it is satisfied that there is a mining plan duly approved by the Central Government or by the State Government, in respect of such category of mines as may be specified by the Central Government, for the development of mineral deposits in the area concerned. Under Rule 22(4A) of the MineralConcession Rules,1960, State Governments have been empowered to approve mining plan of open cast mines (mines other than the underground mines) in respect of 29 non-metallic or industrial minerals which were notified vide Gazette Notification number GSR743(E) dated 25.9.2000, copies of which have already been laid on the Table of the House on 27.11.2000. In respect of all other mines, the power of approving mining plan will continue to be exercised by the Central Government.

2. In the recently held meeting of Mineral Advisory Council, several measures were discussed for attracting private sector participation in the mining sector. Amongst other issues it was deliberated that some kind of time frame may be specified for disposal of applications for mining lease/prospecting licence/reconnaissance permit to ensure the transparency and fairness in the matter of granting mineral concessions. It was also decided to examine/review the areas already reserved for exploitation by Central/State Public Sector Undertakingsand to denotify the areas which are no longer required for public sector exploitation. Keeping in line with the thrust of the New Mineral Policyto encourage private sector initiative, State Governments have been asked to denotify the identified areas reserved under erstwhile Rule 58 of Mineral Concession Rules, 1960.Many of the States have undertaken the necessary exercise within the general policy frame-work of the respective State Governments.